

Amended March 19, 1999

WATER DISTRICT NO. 65

RENTAL POOL PROCEDURES

RULE 1. AUTHORITY AND STATEMENT OF PURPOSE

- 1.1 These procedures have been adopted pursuant to Idaho Code, Section 42-1765 and Rule 6 of the Water Supply Bank Rules of the Idaho Water Resource Board to assure orderly operation of the Payette River Rental Pool. Under no circumstances shall these procedures be construed to limit or restrict the authority of the Director of the Department of Water Resources, the Water Resource Board, Water District No. 65 Advisory Board, or the Payette River Watermaster in discharging their duties as set leasing water to, or renting water from, such space shall be subject to all applicable water laws of the state of Idaho and the Bureau of Reclamation.
- 1.2 It is the purpose of these procedures to:
 - a. Provide a process, consistent with applicable statutes and administrative rules, by which stored water supplies may be made available for a specified period of time to water users who need additional water.
 - b. Provide incentives for those owning reservoir space and having stored water, which is surplus to their needs, to lease such space/water to the Rental Pool to be made available to other users, and which will serve to protect the local public interest.
 - c. Establish a recognized system through which water supplies can be located, identified and subsequently rented to a water user.
 - d. Provide a source of revenue for Water District No. 65 to make improvements in distribution of water and aid in increasing the conservation of water in the Payette River Drainage Basin.
 - e. Provide that available water supplies may be leased to the Rental Pool by the Lessor and rented from the Rental Pool for any

beneficial purpose recognized by the laws of the State of Idaho, provided that other water rights are not injured, irrigators are not deprived of supplemental storage by renting water for uses other than irrigation, and the use is consistent with the conservation of water resources within the state of Idaho.

RULE 2. DEFINITIONS:

- 2.1 **ACRE-FOOT** is a volume of water sufficient to cover one acre one foot deep.
- 2.2 **YEAR** refers to a normal calendar year.
- 2.3 **BOARD** means the Idaho Water Resource Board.
- 2.4 **BUREAU** means the federal Bureau of Reclamation or USBR
- 2.5 **COMMITTEE** or **LOCAL COMMITTEE** means the Advisory Board of Water District No. 65.
- 2.6 **DEPARTMENT** means the Idaho Department of Water Resources or IDWR.
- 2.7 **DIRECTOR** means the Director of the Idaho Department of Water Resources.
- 2.8 **DISTRICT** means Payette River Water District No. 65.
- 2.9 **LEASE** is the agreement through which a specific amount of storage space or / stored water is obtained by the Rental Pool for use during a year.
- 2.10 **RENTER** is the person renting water from the Rental Pool.
- 2.11 **LESSOR** is the person leasing space/water to the Rental Pool.
- 2.12 **PERSON** means any company, corporation, association, firm, agency, individual, partnership, government agency or other entity.
- 2.13 **RENTAL AGREEMENT** is the agreement through which a Renter obtains the right to a specific amount of storage space or stored water from the Rental Pool.
- 2.14 **RENTAL POOL** refers to the water leasing and renting activities administered by the Local Committee appointed by the Water Resource Board.

- 2.15 **SPACE** means all or any portion of the active capacity of a reservoir measured in acre-feet.
- 2.16 **STORED WATER** is the water that accrues to reservoir space and is available for use.
- 2.17 **WATERMASTER** means the Watermaster of Water District No. 65.

RULE 3. GENERAL

- 3.1 It is the policy of the local committee of Water District No. 65 to operate the Rental Pool for the maximum beneficial use of available stored water.
- 3.2 Operation of the Rental Pool will be by and for the irrigators within the district through the Committee. These procedures are designed to assure that stored water is maintained and first made available primarily for irrigation use.
- 3.3 The operation of the Rental Pool shall be consistent with the statutes creating the Water Supply Bank, the rules of the Board and the provisions of the contracts with the United States.
- 3.4 Space will be accepted by the Committee on a contingency basis.
- 3.5 Payments to the lessor will be made only if stored water is subsequently rented from the Rental Pool.
- 3.6 The space of storage water leased to the Rental Pool that is rented for uses below the mouth of the Payette River shall be the last space to fill in the ensuing year.
- 3.7 No storage water leased to the Rental Pool shall be rented for uses below the mouth of the Payette River without the express written consent of the lessor.
- 3.8 It is the policy of the Committee to facilitate annual leases and rentals, and to base all transactions on water stored (storage) rather than reservoir space.

RULE 4. MANAGEMENT:

- 4.1 The Committee shall have the following responsibilities:

- a. To provide direction to the watermaster in the operation of the Rental Pool within the overall framework of these adopted procedures.
 - b. To notify the department and the watermaster of any rentals where water will be moved from the place of use authorized by the permit, license of decree authorizing the stored water right.
 - c. To set policies for the investment and disbursement of funds generated by the Rental Pool in conformity with Public Depository Law, Chapter 1, Title 57, Idaho Code.
- 4.2 The watermaster shall act as the manager of the Rental Pool. This authority shall include accepting space into the Rental Pool, executing rental agreements on behalf of the Committee, accepting and disbursing funds generated through the rental of stored water, and distribution of rental water.
- 4.3 The Committee shall decide all issues by a majority vote.

RULE 5. LEASES:

- 5.1 All leases of space to the Rental Pool and all rental of stored water from the Rental Pool shall be for a term of one year.
- 5.2 Any contracting entity which owns space in a reservoir located in the district may lease any portion of its space to the Rental Pool.
- 5.3 When a lessor has space in more than one reservoir the lease shall designate: Cascade Space, Deadwood Space, or Payette Lakes Space.
- 5.4 Leases accepted by the watermaster are subject to the review and approval of the Committee. Space submitted for lease may be rejected in whole or part by the Committee or it may place special conditions on uses, allocation, and price if, in the judgment of the Committee, accepting said space will not be in the best interest of the Rental Pool and Water District No. 65.
- 5.5 Any lessor, or renter, or applicant aggrieved by a decision of the rental pool committee on matters related to the operations of the Rental Pool may request a hearing before the Committee within 15 days after receiving notice in writing of the decision. After hearing the grievance and after review by the Committee, a decision will be

made by the Committee, in writing, setting forth the reasons for its decision, and said review decision must be signed by a majority of the Committee. The decision of the Committee may be appealed to the Board.

- 5.6 Leases of space to the rental pool shall be on a priority basis as set forth in paragraph 6 of these procedures.
- 5.7 Leases of space shall be in writing and on forms provided by the watermaster and shall bear the date they were received in the watermaster's office.
- 5.8 All space leased to the Rental Pool shall be under the control of the watermaster and Committee for the duration of the lease.

RULE 6. PRIORITIES AMONG LESSORS:

- 6.1 When a lessor leases space to the Rental Pool, the stored water attributable to such space shall be determined by the watermaster according to the percentage the reservoir fills.
- 6.2 All stored water attributable to such space leased to the Rental Pool before July 1 will be rented before any stored water from space leased after July 1.
- 6.3 Lessors who lease space to the Rental Pool by July 1, shall share proportionally in the proceeds from the rental of stored water attributable to such space.
- 6.4 Lessors who lease space to the Rental Pool after July 1, shall receive proceeds from the rental of stored water attributable to such space on a "first come" basis, whereby the first lessor to lease space will be the first paid.
- 6.5 All space/water that has not been rented by the end of the year, shall revert back to the lessor, unless extended by the lessor.

RULE 7. PRIORITIES AMONG RENTERS

- 7.1 Any stored water available through the Rental Pool for use shall be provided on a priority basis. The first priority for each time category is defined below. The second priority for each time category consists of all water users not defined in that time category. Water shall be rented to second priority renters only upon specific findings of the Committee, in cases when all first priority uses are anticipated to be satisfied.

- 7.2 Priority until July 1 of each year in acquiring stored water from the rental pool shall be given to renters for irrigation within the active portion of Water District No. 65.
- 7.3 After July 1 of each year all remaining unrented stored water in the Rental Pool shall be available to any water user who desires to rent the water for any beneficial use. (Amended 2-7-97)
- 7.4 Sub-priority among water users of each priority listed above shall be determined by the date on which the water user's signed rental agreement and payment is received at the office of the watermaster. During periods of drought or special conditions, with consideration to local public interest and with the Director's approval, the Committee may develop additional or alternative procedures.
- 7.5 Any water user having once entered into a rental agreement for stored water may request stored water in subsequent years by confirming, in writing, that all the information on the original agreement is true and correct, and by identifying the amount of water he wishes to purchase. The priority in this case will be the day on which payment is received by the watermaster.
- 7.6 Water must be used by the renter no later than March 1 of the year following the calendar year in which storage occurs, unless an extension is granted by the Committee.

RULE 8. RENTAL FEES AND PAYMENTS TO LESSORS:

- 8.1 The price of stored water rented from the Rental Pool for use upstream from the mouth of the Payette River is \$3.20 per acre foot, with \$2.00 per acre foot being paid to the Lessors, a \$1.00 per acre administrative fee paid to the District and the \$0.20 surcharge due the Board under the Idaho Water Bank rules. The price of stored water rented from the Rental Pool for use downstream from the mouth of the Payette River is \$5.65 per acre foot, with \$4.23 per acre foot being paid to the Lessors, \$2.23 of which is intended to be used by the Lessor for improvements within the Lessor's delivery system, with emphasis given to improvements which would result in better water management, water quality and water use efficiencies, a \$1.00 per acre foot administrative fee paid to the District and the \$0.42 surcharge due the Board. In the case that

another rental pool or space holder should lease water for the purpose or arbitrage and consequently seek to secure replacement water from the Rental Pool, the price shall be the amount charged by that rental pool or space holder plus an additional \$1.00 per acre foot administrative fee paid to the District.